

# Instructions for Idaho Form 49C

## GENERAL INSTRUCTIONS

Complete this form if an investment tax credit (ITC) carryover is included in the current year's available credit. Once the Form 49C is completed, the carryover will be carried to Form 49.

### Carryover Period

- The credit carryover for property acquired prior to 1990 is limited to five tax years.
- For property acquired after 1989 but prior to tax years beginning in 2000, the credit carryover is limited to seven tax years unless the credit has not been carried over seven tax years before 2000. If the credit has been carried forward less than seven tax years, and is eligible for carryover to tax years beginning on or after 2000, the carryover period is limited to 14 tax years.
- For credit earned in tax years beginning on or after January 1, 2000, the credit carryover is limited to 14 tax years.

For purposes of the carryover period, a short tax year counts as one tax year.

### Examples

ITC was earned in a tax year beginning in 1992. The credit is eligible for carryover into the tax year beginning in 1999 as the seventh year. Since the carryover expires in the tax year beginning in 1999, the credit may not be carried into tax years beginning on or after January 1, 2000. The carryover is limited to seven tax years.

ITC was earned in a tax year beginning in 1993. The credit is eligible for carryover into the tax year beginning in 2000 as the seventh year. Since the credit has not yet

been carried forward seven years, the unused credit may be carried into tax years beginning on or after January 1, 2000 and the carryover period is limited to 14 tax years rather than seven.

### Conversion of a C Corporation to S Corporation

An investment tax credit carryover earned by a C corporation that has converted to an S corporation is allowed against the S corporation's tax on net recognized built-in gains and excess net passive income. The credit is not allowed against the tax paid by an S corporation for nonresident shareholders. A separate Form 49C should be used to account for this credit carryover.

### Use of Other Schedules

If this form does not allow you to properly reflect the application of carryovers and recapture, you may provide the information on a separate schedule.

## SPECIFIC INSTRUCTIONS

**Line 1.** For each year, enter the credit earned less the amount of credit for property moved out of Idaho after the five-year recapture period.

**Lines 2, 4, 6, 8, 10, 12, 14, 16, 18, 20, and 22.** For each year, enter the amount of credit allowed against tax, the amount of credit you earned that was shared with another member of the unitary group, and the amount of credit that passed through to an owner or beneficiary.